



# **Selling Disruption™ Show**

**With Mark S. A. Smith**

*Communities Disrupt Commerce: How the Co-living Movement is Changing Communities*

*David Lowe*

---

Mark S A Smith: David Lowe is bringing to America something that's been happening in Europe for a while, which is community living spaces. I'll let him describe exactly what that means. But the impact on millennials and boomers and everybody else in between is extraordinary as we start to form communities that create substantial outcomes. The concept of communities coming together is really disruptive to mass marketing. More and more conversations on the Selling Disruption Show are talking about community and the impact of community on traditional businesses and how so many things are changing that we no longer have to buy mass-marketed things. We go to food trucks because it's not mass produced. You can go and get a custom-made pair of Adidas that nobody else will have one like it. And they'll crank out half a million of those unique shoes every year. And 3D printing changes everything.

So we have these forces that are causing people to say, "I wanna be a community." And what Qwerky is doing is allowing people to create that community in a designed way that supports this trend in business and in life. And because of this, we need to adjust how we look at business, how we approach communities and how we move from mass marketing to one-to-one marketing that's an old idea, but now its time has come.

Welcome, David Lowe.

David Lowe: That was the most beautiful lead-in. Can we just talk about music and playing drums? I'd have loved a little drum roll there from you.

Mark S A Smith: That's the whole idea is that we enhanced our community through that common love of playing music. How did you decide to get into Qwerky and community living spaces?

David Lowe: A few years ago, when I was in England, I moved to London. And I had a dream to become an entrepreneur. And I tried out a bunch of different professions let's say. And then tried to get the side hustle going 'cause I'd heard that was the best way to go with a full-time job, stable thing and then go with something risky on the side. And then once that takes off, you go for it.

And what I found in London was that everything was everywhere, such a huge metropolis. And there wasn't a coherent way bringing everything together in one place under one roof. And this was way before co-working had come along and really co-living was kind of making a dent as a kind of movement let's say. Although, back in I think '85, one of the first examples of co-living was observed in Amsterdam. So it kind of originated from that, but it hadn't really made its way to London.

I needed something like that. I left University with big dreams, big goals. And you get your roommates who were fellow graduates and you room with them. But they're doing completely different things. And so when you start safe and, "Hey, I wanna get this business going and do this and fulfill my dreams and it's gonna be risky. And I'm probably not gonna get paid for a year or two. And it may or may

not pay off," they look at you kind of wide-eyed and just say, "What are you doing? You're crazy. Who do you think you are? Richard Branson?" And that's pretty much when I realized as well as being in London is that you get that a lot. Like, "Who do you think you are? Richard Branson?" Because they're only seen to be this single entrepreneur and the face of entrepreneurship in England.

And I thought after quite a few years, "Something has got to change here. I need a place where I can live where people I live with, they understand what I'm going through emotionally and just physically 'cause it's a physically and emotionally-draining journey certainly getting your first business off the ground." That really planted the seed in my mind for Qwerky and thinking that someday ... It wasn't gonna be the first business because it was just too big. But someday that was gonna happen. And fast forward now to 2017, we're close to securing our first location for our first co-living community. And we'll be launching Spring 2018.

Mark S A Smith: David, this is not your first business. In fact, you have built a successful entrepreneurial business well-known by people who are sports followers. We'll talk about that for just a moment. And I think it's really interesting that you elected to hold off on your big dream until you cut your teeth and learned your chops on a smaller dream. That is brilliant. It's one of the reasons why, from our conversation, I just said, "You need to be on the Selling Disruption Show. You're loaded with these really great entrepreneurial ideas." So let's talk a little bit about that first business, how that happened, what you learned from that, that you're now applying to Qwerky.

David Lowe: I'd come across the idea of MVP, Minimum Viable Product, bootstrapping, and just getting going with as little resources and capital as you can. And so reading a lot of American business books, the idea of the lemonade stand, that's the first exposure to entrepreneurship for kids. We don't have that in England. I guess we wash cars or we do car boot sales. The lemonade stand is a very iconic part of American culture and the entrepreneurial DNA of Americans if you like.

Mark S A Smith: That's right. Every listener probably had a lemonade stand.

David Lowe: Exactly.

Mark S A Smith: I did.

David Lowe: So I looked to my skillsets and strengths and thought, "What can I do?" I was actually working in a tech startup. The company had a ping-pong table. I saw these two guys playing and they were very, very different people, but they were playing with exactly the same equipment, red and black, rubber on the ping-pong paddles, white ball, blue table. It was a little bit of a light bulb moment where I kind of saw it and I saw how it was bringing together the people in our company. It brought another company on the other side of the floor and building. They were coming across to play. And we were having these really competitive matches. I call it social glue, this thing that brought people together and then cemented friendships.

Mark S A Smith: Sure, of course. Using sport and competition as a way of forming communities, that table was the community table.

David Lowe: In a more profound way than say darts or foosball or pool. I just saw something there and then. But then thought, "These two people have very different personalities, but the equipment is uniform. It's exactly the same." It was like, "Right. Let's have a look at the history of table tennis. Oh, it was invented in England in London." Actually, I think it was in 1892. And I thought, "Could I do this in England?" And I thought, "I probably could. But America is gonna be more open to something that's progressive and America is more open to change." And I always had my sights set on the U.S.

And at that point, I was quite close to committing to a move to Austin, Texas with my wife. So that was the kind of moment where it was like, "Right. I'm gonna launch Uberpong in Austin, Texas and pretty much got there not knowing how I was gonna launch this. Just researching how to get business off the ground. I came across crowdfunding and I launched a campaign on Kickstarter. Thirty days later, I'd raised \$10,000 even and had enough capital to launch a basic e-commerce platform and a way to generate sales.

Mark S A Smith: Very clever.

David Lowe: What happened next was kind of cool. What we'd done is said 20 graphics designers, submit your coolest pieces of work, and we'll get them printed on the rubber. So it started out really as a designer play. Then there was an overwhelming demand of people saying, "Hey, we want to create our own custom paddles using our photos, just like photo books. How can we do that?" Uberpong. Then it was a case of coming up with a template and it was a very crude template. But we just literally put it on the website as a template and say, "Could you see our work and email it?" It was awful. But it worked. And we were selling these things for \$80 'cause it was costing us more to produce. We were selling these paddles for \$80. So the margins were insane. We weren't selling as many as we could have because of the price point.

And so I started to see what we could do there, and then, of course, later down the line, we built our own custom paddle editor, which then progressed into an iPhone and Android app. And that's when people started pulling in Instagram photos and we were tapping into their API of Instagram, Facebook, and Twitter. People could do a two-sided paddle. For example, a wedding, so the groom on one side and the bride on the other. So lots of playfulness and creativity.

Mark S A Smith: Very cool. One of the things that you did here, which is an important component to disrupting today, is tap into a passionate community, people who really give a damn, people that love table tennis, love table tennis. I have a friend, that every time I go visit him, he wants to play table tennis. I do my very best and we still have a good time, even though he beats the pants off of me on a regular basis.

But he's absolutely passionate. What you did is allowed a passionate audience to customize their passion. And you did it in a frictionless way.

David Lowe: Yeah. And also an important point, and this is going back to what you were saying, I guess it touches on community. It's always what I've always been passionate about, it's not just selling a product, like Amazon does and eBay almost, is just product, product, stuff, things we don't necessarily need.

Mark S A Smith: We can't compete with Amazon and eBay for stuff.

David Lowe: No. But you can compete with community by building your own community around the brand. And so very quickly, we did like an official launch party and we got about 300 people into a bar on a Sunday. It would normally be dead on a Sunday, and this place was round like it was a Saturday night, Friday night. And they were just blown away. And we did this thing called the Red and Black Rebellion, RBR. So it was all about going against the red and black conformity of ping-pong and that boring, stale look at the sport. We call it the Red and Black Rebellion, and everybody had to use an Uberpong paddle. It wasn't like they got to use the tacky, rubber surface. It was all about just everybody using the same style paddle. It was interesting and very, very visual. Yes, we got VJs in there and it was an amazing night. We then continued to do those kind of events and we got noticed. People were like, "Wow. These Uberpong guys are creating these really cool ping-pong parties."

Within two years, the L.A. Dodgers had contacted us and said, "Hey, we like what you're doing there. Can you direct a celebrity ping-pong tournament for us. And we thought, "Yeah. What bar?" And they said, "No, it's on the field at Dodger Stadium."

Mark S A Smith: Oh, yeah.

David Lowe: And we were like, "Okay, we're very into this." And we said, "Tell us more." And they said, "We want you to put 11 ping-pong tables around the bases on the field at Dodger Stadium." We were just speechless almost. And they said, "Oh, yeah. Jimmy Kimmel is gonna be hosting. And there's gonna be a bunch of A-list Hollywood celebrities playing in the tournament. And the L.A. Dodgers are gonna be there playing for Clayton Kershaw's charity." He's like their MVP pitcher. You get to meet all these guys and it's just totally surreal. Yeah.

And literally like two years before, I was in rainy, old London thinking of this idea, dreaming it up. One of my visions was to get my brand on the jumbotron at an MBA game. I'm walking up the ramp at Dodger Stadium and I see the brand on the advertising board all around the stadium. So it was kind of like a beautiful thing, but very close to the jumbotron. Same kind of thing. It had the same impact. Blew my head off.

Mark S A Smith: Absolutely beautiful. There's a couple things I wanna point out, listener, that you heard from David here. One is community. Build that community. Number two,

make a cause. And the first cause, you created Black and White Rebellion. That was a cause that people could easily tap into that says, "Yeah, yeah. I'm the individual and I'd like to illustrate my individuality in the game." And then you transferred that to another cause, which was a charitable cause. And creating community, creating cause, is a very powerful way to pull together experiences and people that you would never ever otherwise have conversations with. Well done.

David Lowe: Thank you.

Mark S A Smith: And so you sold Uberpong.

David Lowe: Yes.

Mark S A Smith: And you moved into working with Qwerky, which is taking this concept of community and in some cases cause, personal cause, to a whole new level.

David Lowe: Yep.

Mark S A Smith: Tell me about that.

David Lowe: I'd been watching co-living rises in movement while I was working on Uberpong. And I also noticed a few other movements really gathering momentum, so the wellness movement, the minimalist movement as well, and minimalism. And I really like those movements personally and I sort of relate to them. But I saw how millennials were really choosing these movements because they cared about their health and their diet and nutrition and mental wellness, physical fitness, needing less stuff. And then this whole thing kind of came out where it was like less is greater than more.

Mark S A Smith: Indeed. And it's not just reserved to millennials. This baby boomer has become a minimalist, moving from a 5,000 square foot home stuffed full of stuff to a 1,500 square foot home that has exactly what I need and it doesn't run my life.

David Lowe: Yeah. And I was also noticing ... Again, through experience as well, living in "luxury condos" in Austin and just trying them out. And I was miserable. I've never been as miserable as when I lived in a luxury condo on the 12th floor overlooking Austin, Texas skyline.

Mark S A Smith: Did you know any of your neighbors?

David Lowe: No.

Mark S A Smith: There's the problem, right?

David Lowe: Yeah. I tried. Don't get me wrong, I consider myself quite a social person. And I was trying to introduce myself to people in the gym and at the pool and you'd see the neighbors in the hallway, in the elevator, and no one is having it. They're

just in their own little bubble. They don't wanna be bothered. And it was weird. It was really, really weird.

I remember back to when I was a kid, maybe five years old, and we lived in a very classic post-war England street, if you like, where there's, they call it, tenement houses, where they're all in a row. There's no break. They're just all in a row. And you knew neighbors. And the houses were across the road, pretty close. All the kids went and played out in the alleys and streets, swinging from the trees. It was just like very social, just a great little community. I thought back to that and thought, "That's where I had the most fun and where I was happy." And so I've always had that in the back of my mind that I want to create that in some way. So Qwerky revealed itself in my mind. And I realized that that is where I need to be. I can have the most impact in society, in the U.S. and then ultimately, in the world as well.

Mark S A Smith: How does Qwerky work?

David Lowe: Qwerky works in a similar way to co-working. So the classic scenario was, "Okay, you're a company. Come into our building. You have this whole floor. And it's gonna be \$20,000, \$30,000 a month. Oh yeah, and we're also gonna hook you into a 10-year lease. And we want a deposit, first few months' deposit or something like that." So strict and not flexible. And what happened is, especially post-recession 2008, these huge cavernous spaces in downtown areas and all over cities that were just empty commercial spaces. The landlords were losing money. But they were thinking, "Oh, economy is gonna turn and we're gonna fill these things again." But they were going back to the broken model.

Mark S A Smith: It's not gonna happen.

David Lowe: It's not gonna happen.

Mark S A Smith: And for a lot of reasons. Let's talk about them for a minute. It used to be that we would go to work, because that's where the network ended up, where we could sit in front of our computer and do our work. And that's where our telephone line rang into. Now, that's gone. We can access the network from anywhere. Our phone rings wherever we happen to be. We no longer go to work. We just do work. And for that reason, we don't need a workspace unless we need to get together and have a face-to-face experience. For most companies, that is not necessary. And importantly, the millennials are really good at solving complex problems without being in the same physical space thanks to online massive role-player games.

David Lowe: Yes. Exactly. So co-working came out of this, where business owners said, "Let's take this office space and just split it up and make it shared office space. You share the bathrooms. You share the kitchen. You share the workspace."

Mark S A Smith: And you rent from month to month.

David Lowe: You rent from month to month and it might be higher to rent, but it got a flexibility of coming out at any time. I've been to co-work spaces around the world, but I've joined a few. What I found is that when people were going into the spaces, they were in their bubble. And you would see somebody else who ran another company and they were in their bubble. And it was quite hard to burst the bubble, if you like. And then in addition to that social awkwardness, the companies that were the co-working brands, they were not making enough effort to actually facilitate the relationships in the spaces. And that bothered me because they would settle you in, getting you excited about the community, then they were doing nothing.

Imagine going to a networking event. They take your money and then they say, "Get lost. Go mingle." I want the person on the front to tell me, "Oh, yeah, we've already done a bit of research before you got here. You need to meet these guys." There's more structure to that networking. And I feel like there needs to be much more structure to co-working. And so on the back of experiencing this and seeing where the co-living in my mind, was gonna be the next big movement after co-working, and logical progression. I thought, "That's where we need to be." We can help a lot of people there because we can put co-working within our co-living communities and buildings. And that way, you don't need to go to the separate space. Everything is under the same roof.

Mark S A Smith: No, indeed. This is not for everybody. But I can see that this will be highly attractive for many people. I'd find it very attractive. It's essentially communal living without the stigma.

David Lowe: Yes. I'll describe it to some people and they'll say, "An adult dorm." The New York Times even wrote an article and they used that in the headline. But co-living is a better expression than adult dorms, certainly [inaudible 00:17:34] the stigma. You think about what type of people would be attracted. People who are graduating, and millennials, they love this. But there's also, we've noticed, a lot of people who've gone through a career. They're completely disillusioned. They might have some capital in the bank. And they've always dreamed of starting a business. They just haven't had the time 'cause they're being the trader in a Wall Street trader for 20 years. And they're coming out of that and they want very deliberate lifestyle shift. They're coming to us and saying, "We wanna live at Qwerky because we wanna be around all these young people who have these awesome ideas."

Mark S A Smith: And the young people wanna be around these old folks that have the experience and the insights that they don't have access to. It's a beautiful blending of culture. Last night, I had a conversation with a woman who had 37 years in a career, and just sold her house, and is moving into a van so that she has the flexibility. And for her, Qwerky is the perfect type of environment where she wants to be there to help people. She really wants to, but she doesn't wanna be tied down by the traditional buy a house, live in a house, live in your bubble. She sees her value as being in the community versus being as solopreneur.



And I see this happening. And I've had conversations with people that are in their post-first career, second career, that look for exactly what you're doing.

David Lowe: Mark, how many entrepreneurs have you met who are solopreneurs?

Mark S A Smith: Most of them are until they figure out how to make the turn to make enough money to bring more team members on.

David Lowe: Exactly. It almost goes from being the solopreneur, which is the entrepreneur, to becoming this startup founder.

Mark S A Smith: Yes.

David Lowe: And then you have a founding team. Maybe you meet your co-founder at Qwerky. We're trying to create a community and environment where these things can happen, but not just like a condo would. Move in, give us your rent, stay for a year, here deposit. All the boring, traditional stuff that people hate. We're saying, "Live for the minimum term of a month. It's affordable to be there. You're in that community that's like an instant network. And if you like it, you can stay for as long as you want. You can stay for a year, two years, whatever. But you can stay for as little as a month. We don't want a deposit." There's no real barriers or pain points. It's just taking all that kind of nonsense away and saying, "Experience co-living and we're very confident that you'll like it and your success, should I say, will be accelerated by being around inspiring people." And it comes back to the whole, "You are the sum of the five people closest to you."

Mark S A Smith: Jim Rohn talked about that. Many other people have picked up on it, but yes.

David Lowe: So similar kind of idea, but with more than five people. Our first community, we're looking at maybe 30. So you are the sum total of the 30 people closest to you.

Mark S A Smith: And co-living, what is your private like? How big is it? What's in there? What is it like?

David Lowe: If you've ever seen micro-hotels or microtels, that kind of feel, it's quite a basic bed plus bathroom in like a little pod almost. There will be a shared kitchen, either on your floor or a shared kitchen for the building, which we're hoping for two. So think of it like this. Smaller kind of sleeping area, but larger communal areas where you can collaborate. You can eat together, cook together. You could do yoga together or meditate together, that kind of thing. Our design, if you like, and our layout, we're focusing hard on this to make sure that there's a kind of flow. And almost depending on what mood you're in, you can be going into like certain zones.

Mark S A Smith: Interesting. Well, I know that this has been fairly popular in Spain and England and I believe Amsterdam was one of the original co-living spaces.

David Lowe: Amsterdam, Barcelona, Tenerife, there's quite a few successful ones in Europe. London now, there's quite a few popping up in London. The world's biggest I think is in London; 500.

Mark S A Smith: Interesting. And now, bringing that to the United States starting in San Diego. Exciting times ahead for community living. David, thanks for coming on the Selling Disruption Show and sharing your insights both from the idea of a starter business before you move to your dream business, as well as talking about the community and this impact on business. And how do people get a hold of you?

David Lowe: If you wanna say hi to me, I'm on Twitter @davidjlowe and @qwerkycoliving. We're on Facebook, Instagram, Twitter. We've got a YouTube channel, just search for Qwerky co-living. If you're interested in trying out co-living, we're looking to be launching Spring 2018 in San Diego. So go to Qwerky.co and add your email on there. We'll be in touch soon because we'll be opening the application process, especially an entrepreneur, digital nomad, or creative. This is definitely the place for you. Excited to talk to you. Yeah.

Mark S A Smith: Thanks so much. I appreciate you being on the show.

David Lowe: Thank you for having me on, Mark.